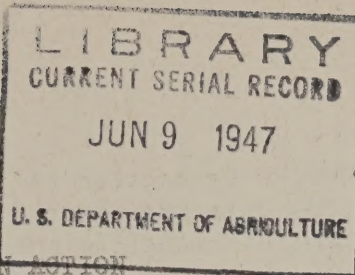


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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.



June 4, 1947

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Region

AGRICULTURAL APPROPRIATION BILL On May 28 the Agricultural Appropriation Bill, H. R. 3601, with amendments, was passed by the House of Representatives. Senate committee hearings will probably open next week. Just before passage in the House, there was defeated, 174-180, a motion by Congressman Cannon to recommit the Bill with instructions for the Committee to report it back with amendments to increase ACP from \$165,614,290 to \$300,000,000, to increase the School Lunch Program from \$45,000,000 to \$75,000,000 and to increase REA loans from \$225,000,000 to \$250,000,000.

A few of the amendments agreed to follow:

- By Rep. Cannon, Mo., to increase the Research and Marketing Act item from \$6,000,000 to \$9,500,000; thus increasing research on utilization and associated problems by \$1,500,000, cooperative research other than research on utilization by \$500,000, and marketing research under title II by \$1,000,000.
- By Rep. Andersen, Minn., to reduce Solicitor's Office from \$2,425,000 to \$2,025,000.
- By Rep. Dirksen, to reinstate \$40,000,000 of the Section 32 money.

Some of the amendments rejected were:

- By Rep. Cannon, Mo., to increase ACP from \$165,614,290 to \$300,000,000, by a 151-156 vote.
- By Rep. Andersen, Minn., to increase PMA county committees from \$15,000,000 to \$20,000,000 by an 81-124 vote; after also rejecting a Cannon amendment to this amendment, to increase the item to \$23,584,956; by a 118-137 vote.
- By Rep. Phillips, Calif., to reduce School Lunch Program from \$45,000,000 to \$25,000,000, by an 85-153 vote; rejected a Cannon amendment to this amendment, to increase the item to \$75,000,000, by a 139-155 vote; rejected a Buck, N. Y., amendment to the amendment, to decrease the item to \$11,470,400.
- By Rep. Whitten, Miss., to provide \$25,000,000 for farm-tenant loans; by vote of 94-129.
- By Rep. Cannon, Mo., to increase REA loans from \$225,000,000 to \$250,000,000 by 144-159 vote; after rejecting, 106-141, a Rankin amendment to increase the item to \$300,000,000.

POULTRY COMMITTEE
SUBMITS RESEARCH
RECOMMENDATIONS

Production and marketing of poultry and eggs come in for their share of attention in research recommendations submitted to the National Advisory Committee and the Department of Agriculture by the Poultry Advisory Committee.

The committee's recent report emphasizes three fields of production research which should receive first consideration:

- (1) Broaden the scope of study on the efficiency and economy of selecting breeding stock to improve egg production and quality, viability, and carcass quality;
- (2) Increase research on the nutritive requirements of poultry, since feed is more than half the cost of poultry production; and
- (3) Seek more economical sources of protein, since protein is the most important and expensive part of the poultry diet.

Marketing recommendations include: (1) high priority should be given to research on ways and means of eliminating present heavy losses in quality and quantity during the marketing process; (2) more basic information should be obtained on the nutritional value of poultry products; and (3) markets should be expanded both here and abroad through the development of new food and other uses for poultry and its byproducts.

POULTRY AND EGG SITUATION

The Bureau of Agricultural Economics reports that farmers probably will start 1948 with somewhat fewer layers on hand than on

January 1, 1947 when the laying flock totaled 437 million--consisting of 286 million pullets and 151 million hens. Although the number of hens for 1948 may be about the same or even larger than last year, the number of pullets may be less. About 5 percent fewer chickens are being raised this year than last.

In the second half of 1947, egg production probably will be moderately below the last half of 1946. Stocks on July 1 will be significantly less than July 1, 1946. Supplies per person will be about 10 percent under the second half of 1946 and about 20 percent below those of the first six months of this year. Consumption the first four months of 1947 was about 140 eggs per person, higher than any comparable period except possibly 1945.

Egg prices, according to BAE, will average higher for the remainder of 1947 than for the same period of 1946. Prices received by farmers in mid-April averaged 40.8 cents per dozen, 9.5 cents above April 15, 1946 and a record for the month. In most years, egg prices in November and December are about 35 to 40 percent higher than in May and June. If there is a downturn in business activity, they will not increase that much this year.

LAND IS OUR STRENGTH,
SAYS SECRETARY ANDERSON
AT DURHAM THIS WEEK

"We draw our strength from Mother Earth -- our land -- our heritage," Secretary of Agriculture Clinton P. Anderson said this week at Durham, New Hampshire, in celebra-

tion of the State's Conservation Week.

Speaking at the "Green Pastures" contest luncheon on June 3, the Secretary said that land -- our basic resource -- feeds, clothes, and shelters us as well as supplies raw materials for fully half industry's needs.

He sketched the condition of our original 550 million acres of cropland by pointing out:

- ... A 100 million acres no longer suitable for cultivation.
- ... Another 100 million in critical condition.
- ... A third hundred million in serious condition.
- ... Another 150 million subject to erosion in some degree.
- ... Only 100 million not in danger.

"There is a job to be done. You are recognizing that fact in this great Conservation Week," he told the group. "It is true that we have cut losses in half since our conservation programs were begun. But we have only slowed, not turned, the tide of battle."

Next week's issue of Agriculture in Action will include further reports on talks made at the luncheon and other activities during New Hampshire's "The Land -- Our Heritage" program.

1947 CROP INSURANCE
SALES COMPLETED

The sales program for the 1947 corn and tobacco crops has now been completed in the Northeast. Hartford County, Connecticut, is working on the second and final year of the present trial insurance program for tobacco. Nineteen salesmen sold a total of 607 contracts, an increase of 158 over 1946, with 285 contracts being signed on the final day of the campaign. Substantial increase in acreage is also assured although final figures are not available at this time.

Chester County, Pennsylvania completed sales for corn on May 3 with the total number of contracts at 508, a substantial increase over last year's final figure of 479, while Lancaster County in the same State completed the season on tobacco insurance sales with a tidy 1162 contracts. 1947 is the third year in the trial program for both the latter two counties.

CONFERENCE CALLED TO COMBAT
FARM REAL ESTATE PRICE RISE

To combat the rise in farm real estate prices, Secretary Anderson has asked a group of the nation's agricultural and business leaders to a conference in Washington on June 9. Real estate values in 24 states are now above the inflationary peak of 1920. Farm real estate values are about 92% above the 1935-39 average...The possibility of developing voluntary activities for discouraging further inflation in farm real estate prices and excessive expansion of debts by farmers will be considered at the conference.

BAE REPORTS ON
FEED SITUATION

Prospects for the new crops will have an important influence on feed prices during the next few months.

If production is average or better, feed prices probably will decline at least seasonally through the fall. Foreign demand for grain and high-protein feeds is expected to stay strong through the rest of 1947 and into 1948. It also will be an important price influence, especially during the summer. Corn prices probably will average higher this summer than the June 1946 ceilings, but lower than in July-September 1946, after price controls had lapsed.

Exports of feed grains during 1946-47 will be the largest in at least 8 years, and practically all is going for direct use as food to supplement inadequate supplies of bread grains. Corn exports during the current marketing year may total around 125 million bushels. About half of this amount had been exported by the end of April. Larger than usual quantities of other feed grains and oilseed cake and meal also are being exported. If domestic feed production this year is average or above, exports probably will continue large into 1948.

ADVISORY COMMITTEE NAMED
TO STUDY NEED FOR
RESEARCH ON TOBACCO

USDA has announced the membership of an advisory committee on tobacco to assist the Department and the National Advisory Committee in the development of plans and work under the Research and Marketing Act of 1946. The direct function of the new committee will be to suggest possible lines of research and services that will help solve problems having to do with production, marketing, distribution, and processing of tobacco and its byproducts. The committee is scheduled to hold its first meeting in Washington on June 26 and 27. Members of the Tobacco Advisory Committee are:

Lewis F. Allen, Pres., Kentucky Farm Bureau Federation, Bowling Green, Ky.; T. W. Allen, Chairman, Tobacco Committee, North Carolina State Grange, Creedmoor, N.C.; H. Aubrey Ford, Mgr., Leaf Dept., Larus & Brother Company, Inc., Richmond, Va.; Wm. S. Fuller, Pres., The Shade Tobacco Growers Agricultural Association, Inc., 225 State Street, Hartford, Conn.; Charles H. Horn, Vice Pres., Federal Cigar Co., Inc., Red Lion, Pa.; K. T. Hutchinson, Murfreesboro, Tenn.; H. W. Jackson, Jr., Pres., Universal Leaf Tobacco Co., Inc., P. O. Box 1755, Richmond, Va.; Joseph Kolodny, Managing Director, National Association of Tobacco Distributors, Inc., New York City; Daniel M. Pierce, Pres., Wisconsin Cooperative Tobacco Growers' Association, Edgerton, Wisc.; Paul Randolph, Gen. Mgr., Eastern Dark Fired Tobacco Growers Association, Inc., Springfield, Tenn.; R. Flake Shaw, Exec. Vice Pres., North Carolina Farm Bureau Federation, Greensboro, N.C.

Stephen E. Wrather, Assistant Director of the Tobacco Branch, PMA, is executive secretary and Department representative of the newly formed committee.

LETTER TO HON. AUGUST H. ANDRESEN
ON POTATO SUPPORT PROGRAM

Secretary of Agriculture Anderson has made public the following letter to Congressman August H. Andresen on the subject of potato price-support problems:

May 26, 1947

Hon. August H. Andresen
House of Representatives

Dear August:

Your discussion of the potato support price problem which appeared in the Congressional Record for May 21, 1947, coming from one who has for so long been closely associated with farm problems and farm legislation, does not, I hope, reflect your true knowledge of the situation. You surely could not be ignorant of the fact that on November 26, 1946, I addressed a letter to the chairmen and ranking minority members of the House and Senate Agricultural Committees in which I pointed out the responsibilities of this Department under the price support legislation and the inevitable difficulties of administering this legislation with particular reference to price supports for potatoes.

I included in that letter an estimate that there would be as many as 20 million bushels of potatoes for which we would be unable to find any practical outlet and which would likely be a total waste. I asked that the whole question of price support policy be given prompt and thorough consideration by the Congress. A copy of that letter was mailed to you and yet, knowing that I am powerless to make any change in price support responsibilities, you now "call upon the Secretary of Agriculture to halt the Department of Agriculture's wanton destruction of potatoes as it goes on today." In my letter of November 26, I pointed out that this Department had sent letters to all international agencies and foreign countries known to be in need of food supplies, calling attention to the very large United States potato supplies and offering to make them readily available. I related how this Department had offered to supply potatoes free of charge to UNRRA and foreign governments for dehydration for relief feeding and that they had not been willing to pay the processing cost of about 15 cents a pound now and 25 to 30 cents a pound earlier when they could purchase flour at five or six cents a pound. Despite these facts which you scarcely could have forgotten you now deplore the destruction of potatoes "at a time when food prices are high and people abroad are starving."

You claim to have in your possession bills of lading and tags proving that potatoes are being imported for sale in the very territory where farmers are being paid not to harvest their crops. In the first place, there is now no territory in which farmers are being paid not to harvest their crops. So I suggest that you re-examine your bills of lading and tags. Potatoes are being imported from Canada and some of the imported seed stock goes into the south where it is sometimes sold for table use if it will bring a higher price for seed or if seed needs have been met.
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You are no doubt familiar with the fact that the reciprocal trade agreement with Canada provides for the importation of 1-1/2 million bushels of seed stock at a reduced tariff rate and a million bushels of table stock at a reduced tariff rate. As a matter of fact, quotas for both seed stock and table stock since the beginning of the quota period, September 15, have been exceeded and Canadian potato importers are now paying the regular tariff rate of 75 cents per hundred. Imports since the beginning of the quota period have totaled nearly four million bushels. When speaking of imports of Canadian potatoes, however, it would be only reasonable to refer also to exports of potatoes from this country to Canada.

For the 12 months ending August 31, 1946, exports of potatoes from this country to Canada totaled nearly eight million bushels. From September 1 through the end of March exports of potatoes to Canada were only a little over 32,000 bushels. However, the normal period of heavy movement is through the months of May, June, and July. California potatoes are now moving in volume to the western provinces of Canada. The city of Vancouver, for example, received during the month of April 23,400 bushels of potatoes from the United States. We do not expect exports of potatoes to Canada this year to be as large as last year, but we do expect a substantial movement to Canada.

In your reference to the letter received from a farmer living in North Carolina reporting that the government has paid this farmer for not digging his potatoes this year, I assume that you misspoke, since potatoes are not yet being harvested in North Carolina. The farthest north I believe in which potato harvesting is going on is South Carolina.

Perhaps it would be well for me to review again at this point our price support operations for the 1946 crop. We are coming out surprisingly close to the estimates I made in my November 26 letter. The 1946 crop was nearly 100 million bushels over the goal. From this crop nearly three million bushels were distributed through the school lunch program and to charitable institutions. About 10-1/2 million bushels, or more than 10 percent of the total surplus, have been exported. This was accomplished by offering the potatoes for export for relief feeding abroad at token prices as low as four cents per hundred pounds. Approximately 11 million bushels were diverted to livestock feeding, and this was made possible again by making them available at token prices. Another 10-1/2 million bushels were made available to starch mills manufacturing starch in this country for relief abroad. The greatest diversion of potatoes that otherwise would have been wasted was to distillers for beverage and industrial alcohol -- a total of around 30 million bushels. Outlets have been found for approximately 65 million bushels of the surplus.

In my letter of November 26, I estimated that about 20 million bushels would be wasted. Actually we now believe that this total will be more nearly 22 million bushels.

In the absence of any action or advice from Congress following my letter of November 26, I have taken the initiative in dealing with the potato problem for 1947 by reducing the goal by a little more than 150,000 acres below the goal of last year and by setting up acreage quotas within which potato growers must remain in order to be eligible for price support.

In 1947 the potato price support program emphasizes the removal of lower grade and inferior quality potatoes from food channels. We anticipated that there would be some local surpluses in early and intermediate potato growing areas, especially because of adverse spring weather delaying potato harvests tending to make the harvest in some areas bunch up and overlap instead of coming on in an orderly manner. This has been true in Alabama where, up to now, there was a surplus of about 28,500 bushels. Of this amount 21,000 bushels have been distributed through school lunch programs and to institutions. For the remaining 7,500 bushels of lower grade potatoes no practical use was found. No dehydration facilities were locally available, and farmers in the peak of the pasture season were not interested in feeding these potatoes to livestock. These early potatoes, which are thin-skinned and with high water content, are not desirable for export. Freight charges are too great to ship these potatoes to northern starch plants. Alcohol plants were not interested. Therefore, since we were required to support potato prices, and because there was no other place to put the surplus of lower grade potatoes, they have been destroyed.

However, if as you state, new potatoes are being sold in Washington and in eastern cities at five to 10 cents a pound, it is not because farmers are getting a price anywhere near this amount. Our support price in Alabama, for example, for May is 2.7 cents per pound for No. 1 potatoes. This price, incidentally, is about 35 cents per hundred pounds higher than for May of last year because support prices, as directed by Congress, are based on 90 percent of parity for potatoes, and parity has increased considerably in recent months due to the increase in the cost of things farmers buy.

I can only say again now what I said in my letter of November 26 -- that because the problems we are already facing with regard to potatoes may arise for other commodities, it is obviously imperative that the whole question of price support policy, to accomplish the underlying objectives of the legislation, be given prompt and thorough consideration by the Congress.

Sincerely yours,

/s/ Clinton P. Anderson

Secretary

RADIO TRANSCRIPTION

A. W. Manchester, Director
Northeast Region, Field Service Branch
Production and Marketing Adm., USDA
Station WCSH - Portland, Maine
June 1947

Everybody agrees that these days are critical. We are either making a recession or we are dodging one. We are getting a grip on a sound foreign policy or we are muffing it, with all the consequences that can follow. The cost of living is getting ready to work its way down or the forces to hold it up are getting solidly intrenched.

These are equally critical days for farming. It is as a consequence a time when it is particularly worth while to watch each development affecting agriculture. Minor changes now may be the beginning of trends that will have profound and lasting effects. We need to take inventory often and carefully.

Right now the agriculture of the country is, in the main, in good shape as compared with ordinary times. The average income per person on farms last year was about \$630, counting in the value of the food, fuel and so on that the farm family got from the farm in goods. That was the highest figure in our history. To be sure, it was only about half as much as the incomes of all the persons not on farms. But farmers are used to being down to a third, at times to almost a quarter, of the incomes of non-farm people. It's good in comparison with what we are used to. To be sure, too, the dollar wouldn't buy nearly as much as usual. The high prices that farmers have to pay go a good ways in cutting that extra income down to size.

But, granting all these things, the incomes of American farmers last year looked pretty good by comparison with what they are used to.

The question now is, can those incomes -- and will they -- be kept somewhere near that good?

When you try to answer that, you naturally ask, "What were the causes for these better incomes?" and "Will those conditions last?"

One cause, of course, was good yields and high production. This, all farmers know, wouldn't have done them any good -- in fact it would have raised hob -- if there hadn't been forces that kept that abundant production from ruining prices. With good prices, abundant production helps farm prosperity, but it can operate in reverse. Looking forward to this year and the years ahead, nobody, of course, can tell what production will be. We've had a tough spring. Farm work is way behind time. That couldn't be helped. Still, I think most of us expect good crops as a whole. Farmers have licked the effects of late springs two or three times in the last few years. They are likely to do it again. The wheat crop already looks like the biggest in history. And even southern potatoes, after freezes, floods, and all the rest, are yielding more than seemed possible. Farmers are making farming miracles commonplace nowadays.

There are three principal reasons why prices stayed good in the face of last year's big production. Everybody knows them, but I think that they are worth listing again, because the future of farming prosperity is tied up with them this year and the years ahead just as much as it was last year and the years before that.

If these three conditions stay favorable, farm prices will stay good, even with good production. If they fail or seriously weaken, every time farmers produce abundantly they will repent it in poverty.

The three causes of last year's farm prosperity were, first, foreign demand for American foods several times as big as pre-war; second, big demand by consumers in this country based on better employment, wages and incomes and, third, government price support where needed.

Since the ups and downs of Agriculture depend principally on these three, it is worth while to stop a minute, I think to ask what the situation is now and in prospect for each.

As to foreign demand, it is bound to be good this year. Foreign crops in many areas have been badly damaged by winter freezes, drought and lack of fertilizer. Demand will be particularly high for wheat and cereals but will include things like dried milk and dried eggs. It is too early to guess whether potatoes will be needed again for export.

In the longer run, foreign demand for food will depend largely on whether foreign nations will have the wherewithall to keep on buying. It is being financed now to a large extent, directly or indirectly, by this country. In the long run, it will depend on whether the foreign nations -- now prostrate beyond our understanding or belief -- are able to rebuild their industries and get on their feet economically. If they can't, they won't be able to buy. In fact, they are likely to be sunk in turmoil and chaos if some ground for hope for a better future doesn't appear over there.

Right now, I feel that American farmers can feel a little hopeful about a continuing foreign market. My optimism is based on what appears to be a growing American understanding of the world problem and a growing will to do our part. It is commonly recognized that the only hope for the years immediately ahead lies in this country. Nobody else can do the job. Even we can't unless we want to be pretty broad gauge and understanding. But we are showing hopeful signs. In that the American farmer can take some comfort. His lot is more bound up with this international situation than most of us -- perhaps any of us -- realize.

Now what about that better buying ability of the American consumer that increased milk consumption 30 percent, helped add a third to egg consumption and so on?

Frankly, it has showed signs of weakening. Milk consumption is dropping a little. Food stores report dropping sales in many places. The statistics show the debts of consumers rising, savings dropping, the real buying power of wages falling off and a good many indications that a substantial percentage of consumers aren't in a position to be the free buyers that they were a year ago.

What about the more fundamental factors that decide consumers' buying ability? Are we heading for a recession?

There are a great many who think so. Their belief is based on the fact that consumers' ability to buy has fallen substantially below production. It isn't a "buyers' strike" in any sense except that consumers haven't the money and having been burned once are putting some limits on the extent to which they will buy on time.

Whether we shall have a depression will depend mainly on whether we are going to take what steps are necessary to bring buying ability into balance with production before it is too late.

I'm not going to make a forecast on this, except to say that if we blunder this time, we shan't have the excuse of ignorance. We can all see what is going on and know what the consequences are going to be.

But if the recession comes, if history repeats itself, the farmer will pay a major part of the cost.

A recession is corrected largely by a fall in prices to the point where goods can be sold. A balance is established -- on a poverty level for most of us ordinary folks, -- but still a balance and from that we start a slow climb up.

But the biggest fall in prices is in farm products. That's why the farmer pays.

The third reason why farmers have been doing well is government support of farm prices. That hasn't had to be used much recently. Demand has held most prices far above support levels. But, even this year, government support of potato prices has returned Maine farmers 50 million dollars that they wouldn't have had without it.

If foreign or domestic demand slacken, price support increases proportionately in importance. It is impossible just now to forecast just what shape and size price support will take in the longer future. A study of the problem is under way looking to legislative proposals later.

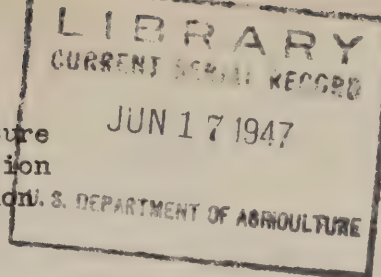
It is safe to say that price support is a proved success. It contributes materially to stable prosperity for the whole country as well as for farmers. It doubtless can and should be improved.

It is an essential condition to continuing farm prosperity.

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(Agriculture in Action -- issued weekly and distributed in the Northeast to State PMA Committeemen; State Offices of PMA; Farmer Fieldmen; County Offices in Mass., Conn., Pa., N.J., and N.H.; Co. Committeemen in N.J., Pa., N.H., & R.I.)

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.



June 11, 1947

AGRICULTURE IN ACTION

Dear Committeemen:

This is the last number of "Agriculture in Action." We are sorry to have it go. Many -- very many -- committeemen and fieldmen have told us that they have found it an invaluable source of the information that they have to have if they are to do their job well.

The question is: "How are they to get that information now?"

It has been announced that there will be a national administrative letter sent to State offices covering actions on a nationwide basis. It cannot be localized. Those with access to it can glean facts significant to their States if they are willing to hunt through it for them.

There is also a "Daily Summary" of press releases issued by USDA. A limited number of these can be obtained if you ask for them.

Other Departmental material such as BAE summaries of various economic situations are also available if you ask.

We know no method just now of getting these sorted out and somewhat digested from the local standpoint unless you want to insist that that make up a substantial part of the job of the fieldman who will be retained as a contact man between Washington and the States.

In my thinking, the most important problem that faces us now is the maintenance of State, county and community committee systems in full health and vigor.

The conservation program has been one of the genuinely constructive dynamic activities of government building a better future for the country.

The committee system that has grown up primarily to develop and manage the conservation program is one of the most promising forward movements of genuine democracy of our day. Under it, democratically elected committeemen have increasingly drawn up the rules and carried out the program, taking real control more and more into their hands.

In the process, thousands and thousands of plain farmer citizens have been so close to, so much a part of government, that they have come to know intimately the problems and understand the operations of government in this important field.

That is the key to successful democratic government -- that great numbers of citizens understand the problems and activities of government. Those problems grow more intricate as we have to shoulder the burdens of a larger place in the world and as business and economic affairs increase in complexity. The problem of understanding -- and, as a consequence, the problem of democracy -- grows more difficult with the growing intricacy of government's problems.

The Triple-A committee system has blazed a trail toward better democracy. It has made it possible for thousands to be understanding citizens. We need that trail kept open and broadened as the clouds that hang over the future of our kind of world grow darker and darker.

No form of bureaucracy, however efficient, can yield the values that the committee system yields.

Every true believer in a democratic farm program -- democracy anywhere for that matter -- needs to give his best thought and his best devotion to the strengthening and the perpetuation of the committee system.

It is obvious that the first essential to full usefulness is that the committees be able to get the facts that they need in plain, honest, unbiased terms. To help them get them should be a first responsibility of any of us who are in a position to lend a hand.

Sincerely yours,

A. W. Manchester

A. W. Manchester
Director, Northeast Region

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(The following article by Fred E. Beane appeared in "New Hampshire Morning Union," Manchester, New Hampshire, June 4, 1947.)

ANDERSON AT UNH CHARGES BETRAYAL
BY CONGRESS IN CUTTING FARM FUNDS

Sen. Bridges Promises Effort
to Salvage Vital Program

- - - - -

More than 700 New Hampshire men and women, representing 40 farm, fraternal, business, professional, civic, religious and other organizations and departments in the State, today heard Clinton P. Anderson, Secretary of Agriculture, charge the House of Representatives in Washington with "a betrayal of agricultural and national interests," by a proposal which, he said, calls for "cutting the agricultural conservation practices' program in half for this year, and wiping it out altogether next year."

"Land -- Our Heritage"

Secretary Anderson was the principal speaker this afternoon at New Hampshire's "The Land -- Our Heritage" luncheon, held in a packed New Hampshire hall, climax feature of the state's officially proclaimed Conservation Week, and outstanding feature of a six weeks' intensive New Hampshire program by these 40 organizations. It called public attention to the great dependence of every man, woman and child in the state on upbuilding and preservation of the soil.

The Secretary charged "this is the calculated, deliberate killing of a valuable part of the conservation program." Further, he charged, "it is a trick that amuses few and is sure to hurt, directly or indirectly, everybody in the nation." It is, moreover, he insisted, "a repudiation of a farm policy which Congress had previously adopted." He said, "Congress last year committed itself to a definite policy of agricultural conservation for 1947, and the department was authorized to proceed on that basis."

Continuing, he charged that "through farmer-elected committeemen here in New Hampshire and all over the nation, assurance of a program was carried to the farmers. Now," he maintained, "the House proposes suddenly to saw this program in half in 1947 and bury it in 1948, and with it the democratic farmer-committee system which in the last decade and a half has been one of agriculture's greatest assets."

Lending an attentive ear, as special guest also at the luncheon, was the state's senior senator, Styles Bridges of Concord, who as chairman of the powerful Senate Appropriations Committee, will have much to say about what happens to conservation work, when the Senate soon takes up the issue.

Assured by Senator

Your Morning Union reporter sought the senator's views on what had suddenly become a red hot New Hampshire issue, and was assured that while striving for the greatest economy in government, the senator anticipates nothing expected to cripple or injure any of the vital or essential parts of the nation's agricultural program, including conservation of the soil.

Said Senator Bridges, "Of course, as chairman of the appropriations committee of the U. S. Senate, I shall work hard to bring about the greatest economy possible. But I realize better than most others, the fundamental part which a sound and prosperous agriculture must play in our economy, particularly of the more permanent programs such as soil conservation work. I intend to see that the Senate carefully reviews all the evidence and will make a decision in the final appropriation, that will bring the greatest economy, but not cripple or injure any of the vital or essential parts of the agriculture program, including soil conservation."

Prior to the Secretary's biting attack on Congress for its proposal to "saw this program in half in 1947 and bury it in 1948," the national cabinet member had pointed out the downfall of other countries that mined and wasted soil fertility.

Alarming Waste

He showed how America has allowed water and wind to wear and rip the nation's topsoil away at an alarming rate, through careless cultivation. He said that today, out of some 550,000,000 acres of top soil, only about 100,000,000 acres now in crops are not in danger.

In addition, he said, we have allowed some 300,000,000 acres of grazing, forest and other land in farms to be injured so that their productivity is impaired. He charged that by conservative estimate, the nation's annual waste of its soil costs America more than a billion dollars a year. In the picture, he said, is loss of plant food material, damage to reservoirs, streams, harbors, irrigation ditches, drainage and flood losses, railroad and highway damage and lowered crop yields.

The big job, he insisted, is making America "land-safe." The national job, he said, is a 20-year one, at least, requiring a harder drive than in the past decade. In calling for support of national conservation, he promised it will pay dividends to farmers, consumers and the whole nation. It is a "dollar-wise program for the nation," he insisted, and warned that the fate of Egypt, Rome and other great empires that neglected their soil will befall America if this "heritage, the soil," is not preserved and upbuilt here.

Partners of Uncle Sam

Speaking ahead of the Secretary, Dr. Fred J. Sievers, director of the Massachusetts Agriculture Experiment Station, had advised farmers to give cognizance to the fact that soil conservation payments made to them in form of government subsidy, are aimed at conservation of a resource of vital importance to the nation and its future, and he urged on them pride in their part in so noble a program, rather than shame or conviction they are receiving undeserved aid or "handouts."

He told farmers they have been chosen as partners by Uncle Sam in the job of making the nation's soil resources an asset rather than a liability. The government has stepped in to prevent land exploitation, he insisted, to prevent mining of the soils by individuals, and farmers should cooperate and take pride in the fact.

Gov. Charles M. Dale, in a brief talk welcomed the visiting officials to the state and extended state greetings to the 700. As a program climax he later challenged any of the other five New England governors to produce pastures as green as those abounding in the Granite State, and for every chief executive who does so, he promised a brand new hat. But he made plain his brother governors must convince him their pastures are really greener.

Bridges for Economy

Senator Bridges, in a short talk, called for national economy in government, wise use of American resources and their conservation for future use, and establishment of a foundation for lasting peace. He said conservation is essential here, American aid from these resources must be extended to other parts of the world in need, but that attention should be directed to vital needs and our ability to help meet these without injury to our own country and people.

Short talks also were made by Sherman Adams, Lincoln, former congressman; George M. "Uncle George" Putnam, 83, president of the N. H. Farm Bureau Federation; and Fred W. Cole, Massachusetts commissioner of agriculture.

Mr. Adams warned New Hampshire it must solve its own problems of timber conservation, which, he said, it thus far has failed to do. National legislation, he felt, is not the answer. Mr. Putnam said the state has gone a dozen years without solving the problem of this basic industry, but must solve them or lose an important natural asset. Commissioner Cole brought the official greetings of Governor Bradford of the Bay State.

Prizes Awarded

N. H. Farmers, winners in the Green Pastures contest the past week, were awarded prizes by L. A. Bevan, associate director of the Extension Service, after Ford S. Prince, Station agronomist, has described the fine green pastures springing up all over the state and the difficulty with which he and the Vermont and Massachusetts agronomists finally made their choices.

First state winner is C. Leland Slayton, Warner; second is Jeffrey P. Smith, Hollis, and tied for third are Aaron Chadbourne, Lee, and Roe McDanolds, North Haverhill. Prizes were also given county winners.

War bonds were awarded Mrs. Bessie Friel, Concord, first place winner, and Mrs. Gladys Deane, Manchester, second place winner in a "Land -- Our Heritage" essay contest, conducted by the N. H. Milk Dealers' association.

Master of ceremonies was Dr. Harold W. Stoke, president of the University of New Hampshire. J. Ralph Graham, director of PMA in the State, opened the program with a brief description of the educational campaign in conservation needs, carried on for six weeks by the 40 cooperating organizations and groups.

At Head Table

Head table guests, besides those already mentioned, included L. A. Zehner of the Federal Reserve bank, Boston, and Mrs. Zehner; Jeremy Waldron, Portsmouth, UNH trustee, and Mrs. Waldron; Henry B. Stevens, Extension Service director; F. W. Randall, Portsmouth, UNH trustee chairman, and Mrs. Randall; Mrs. Harold W. Stoke, Durham; Jesse Gilmer, PMA administrator, Washington; Dr. R. W. Smith, acting N. H. commissioner of agriculture; Dwight G. Stiles, Milan, president of the N. H. Young Farmers' association, and Mrs. Stiles; Dr. Witney S. K. Yeaple, executive secretary, N. H. Council of Churches and Religious Education, who offered invocation; Ralph Donaldson, Mass. Station agronomist; Milton J. Allen of the New England Council; Dr. M. Gale Eastman, dean of the College of Agriculture, and Allan J. Collins, N. H. state soil conservationist.

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WHEAT CARRY-OVER DIPS Very large exports during the present marketing
BELOW LAST YEAR'S season are expected to reduce the wheat carry-over
on July 1 to 75 million bushels -- about 25 million
below last year's. In addition, flour equivalent to about 15 million
bushels of wheat will probably be in transit or in ports for export.

Total exports of wheat and flour for the year ending June 30 may reach 375 million bushels, only slightly below last year's record 391 million bushels.

While the carry-over will be smaller, a larger proportion of the wheat has left farms this year than last year. Flour in domestic channels is more evenly distributed in relation to needs, and a larger quantity is en route for export.

May 1 conditions indicated a record winter wheat crop of 1,026 million bushels, and only an average crop of 250 million bushels of spring wheat would bring the total crop to 1,275 million bushels this year. This would be about 10 percent above last year's record of 1,156 million bushels. Even if as much as 800 million bushels were used in this country during 1947-48, 475 million bushels would be available either for export or for addition to carry-over in 1948.

Wheat stocks in the four principal exporting countries -- the United States, Canada, Argentina, and Australia -- are expected to be only slightly larger than last year's 372 million bushels, although smaller than in any other year since 1938. Foreign demand probably will again greatly exceed supplies available for export.

"AMERICAN FOOD
MEANT LIFE ITSELF"

Appreciation to America for the assistance she has given them is the No. 1 impression gained from contact with the peoples of Europe, says Elmer Starch, recently returned from a 6-months survey through the central part of the Continent. The survey of agricultural conditions was conducted by a group working under the Food and Agriculture Organization of the United Nations.

"In spite of all the difficulties in shipping food -- spoilage and transportation -- the food did get through to the people," Mr. Starch said. "Almost everyone you saw had been touched by the food-distribution operations. The people were very grateful."

Furthermore, the people give full credit to American food for actually saving their lives during a period of two months last summer when stocks were especially short. Food is still short, and people are hungry. It will be a long time before supplies are adequate.

Transport is poor. There is no fertilizer. In some areas, farm buildings were completely destroyed. Many acres are still mined. Lack of animal draft power hinders recovery of farm production. People in many cities are living in bomb-pocked buildings, the windows entirely devoid of glass.

According to Mr. Starch, shelter for people may not be adequate for ten years, at a guess. Transportation, however, may improve markedly within two years.

NEW CROP WHEAT PURCHASES
FOR EXPORT BEGIN

Purchases of new-crop wheat for export purposes were started on June 2 by the Commodity Credit Corporation.

During the period from May 23 to May 30, grain bought amounted to over one million bushels, with flour purchases amounting to nearly 36 million pounds.

Of the million bushels bought for export, nearly 500,000 bushels was wheat urgently requested by the War Department to fill allocations to occupied areas of Europe. Additional grain purchases were 635,000 bushels of corn and 100,000 bushels of barley.

Grain purchases during the period July 1, 1946 to May 30, 1947 to fill export allocations now total:

Wheat	161,421,477 bushels
Corn	74,462,046 bushels
Barley	21,751,884 bushels
Oats	8,019,500 bushels
Grain Sorghums	2,375,000 bushels

Flour purchases in this same period amount to slightly more than 3 billion pounds.

1800 BUSINESS FIRMS
SWALLOWED BY
MONOPOLY SINCE 1940

Farm products are sold mainly at competitive prices. To such extent as farmers have to buy at monopoly prices while they sell competitively, the farming industry is in a disadvantaged position. As a consequence, farmers are directly concerned with the growth of monopoly.

Here are a few quotes from a recent report of the Federal Trade Commission on the rate at which small concerns are being absorbed by big ones in this country:

"Since 1940 over 1,800 formerly independent competitive firms in the manufacturing and mining industries, alone, have disappeared as a result of mergers and acquisitions...The asset value of the concerns acquired amounted to 4.1 billion dollars, or nearly 5 percent of the total asset value of all manufacturing corporations in 1943--the latest year for which such data are available. The merger movement has been particularly pronounced since VJ-day. In the fourth quarter of 1945 it reached the highest level in the last decade and a half...

"At the end of 1945, the 62 largest listed manufacturing corporations held 8.4 billion dollars of net working capital, which was largely in highly liquid form. This amount was sufficient to purchase the assets of nearly 90 percent of the total number of all other manufacturing corporations in the United States...

"Since 1940...120 out of the top 200 corporations have bought up 453 companies, or 27 percent of the total."

Commenting on this situation, Senator O'Mahoney stated on the Senate Floor on February 17: "As a result, the monopoly problem in American industry is today more serious and widespread than at any time since the passage of the Sherman Act in 1890. Today they mergers have become so commonplace that more than half even fail to be noticed or recorded.

"By such mergers," the Senator said, "control is achieved over available sources of raw materials, the fructifying flow of technology, research, and know-how is congealed; channels and methods of distribution are restricted; and freedom of enterprise abolished. A handful of dominant firms determine who may enter the market, what shall be produced, how markets shall be divided, and what quantities of products may be bought or sold, to whom, and on what terms."

USDA SEEKS SURPLUS
POTATO OUTLETS

The Department of Agriculture has asked eligible public and charitable institutions to apply for allotments of surplus early potatoes, if they have not already done so and if they are within practicable shipping distance of the areas of current harvest. These are potatoes which the Department is required to purchase under the price-support program.

Eligible to receive these surplus potatoes, in addition to school lunch programs, are charitable institutions operated at no profit and supported by tax grants or donations at no cost to recipients, and relief agencies which distribute potatoes free to relief clients. The surplus potatoes are supplied to eligible institutions in car lots without cost and with transportation charges paid, and in truck lots free at Government point of purchase.

Although the surplus potatoes are mainly No. 2's and B's, which are discounted in commercial marketing, they are entirely satisfactory for human consumption if they can be moved before spoilage sets in. For this reason the Department is appealing to any eligible users who may have been missed in the intensive search for outlets for these surplus potatoes. A Department press release requests that institutions interested in obtaining some of these potatoes contact the nearest State Production and Marketing Administration office to see if arrangements can be made for shipping.

The surplus situation in early potatoes, Department officials said, in general should not be as troublesome this year as last, since this year's early crop is indicated at about 30 million bushels less than last year's 85.5 million. Through May, the Department was compelled to buy a total of only 188,000 bushels of this year's crop, as contrasted with nearly 14 million bushels that moved through regular commercial channels during the same period.

Under this year's price support program, the better quality potatoes are moved to commercial markets under a grading system, with any necessary support activities limited very largely to the lower grades. Of the 188,000 bushels purchased by the Department so far this year, 80 percent have been No. 2 or B grade. The Department has found useful outlets for all but 24,000 bushels of this total. As the early potato harvest progresses, however, there will probably be other instances where outlets for these highly perishable potatoes cannot be found and disposal operations may be necessary.

ICELESS REFRIGERATOR CAR
TESTED BY USDA

An iceless refrigerator car which maintained temperatures of approximately zero under conditions of summer heat was recently tested by the Dept. of Agriculture, cooperating with various industry groups. This temperature, which will maintain the prime quality of frozen foods, cannot be reached in the ordinary refrigerator car.

The test car has 3-inch insulation. Cooling takes place as anhydrous ammonia moves from a tank under the car through a regulating valve and expands in coils located in the ceiling of the car. A single charge of the ammonia lasted 48 hours. The ammonia is finally taken up by water in absorber tanks. There are no moving parts to the system.

